

Message Text

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PAGE 01 STATE 048059
ORIGIN EUR-12

INFO OCT-01 EA-12 ISO-00 /025 R

66011

DRAFTED BY:EUR/RPE:R LAMANTIA
APPROVED BY:EUR/RPE:A ALBRECHT
EA/J:H COCHRAN

-----016379 242000Z /43

R 240804Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY TOKYO

UNCLAS STATE 048059

BRUSSELS FOR USEC, PARIS FOR USOECD

FOL OTTAWA 0857 SENT ACTION SECSTATE INFO GENEVA FEB 21, 1978
REPEATED TO YOU QUOTE

UNCLASS OTTAWA 00857

E.O. 11652: N/A
TAGS: ETRD, CA
SUBJECT: CANADA ANNOUNCES SPECIAL MEASURES REGARDING STEEL
IMPORTS

REF: OTTAWA 848

1. TEXT OF MINISTER OF NATIONAL REVENUE GUAY'S STATEMENT
ISSUED IN OTTAWA FEBRUARY 20 CONCERNING SPECIAL MEASURES
REGARDING STEEL IMPORTS, FOLLOWS:

BEGIN TEXT.

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RECENTLY, THE UNITED STATES AND THE EUROPEAN ECONOMIC
COMMUNITY ANNOUNCED SPECIAL MEASURES IN RESPECT OF STEEL
IMPORTS. ESSENTIALLY, THESE MEASURES, THROUGH THE USE OF
"TRIGGER PRICE" OR "BASIC PRICE" MECHANISMS AND ACCELERATED
INVESTIGATIONS, ENABLE AUTHORITIES TO APPLY ANTI-DUMPING
DUTIES MUCH MORE EXPEDITIOUSLY WHERE DOMESTIC INDUSTRIES
ARE DEEMED TO HAVE BEEN MATERIALLY INJURED OR THREATENED

BY FOREIGN DUMPING.

CANADIAN AUTHORITIES BELIEVE THAT THE INTRODUCTION OF SUCH MEASURES BY THE UNITED STATES AND THE EUROPEAN ECONOMIC COMMUNITY COULD ADVERSELY AFFECT THE CANADIAN STEEL INDUSTRY BY DIVERTING FOREIGN STEEL TO THE CANADIAN MARKET AT DUMPED PRICES. IN ADDITION, THE MEASURES COULD RESTRICT ACCESS FOR CANADIAN STEEL INTO OUR TRADITIONAL MARKETS IN THESE AREAS. DISCUSSIONS ARE BEING HELD WITH THE UNITED STATES AND THE EUROPEAN ECONOMIC COMMUNITY WITH A VIEW TO MINIMIZING THE IMPACT OF THESE SCHEMES ON CANADIAN EXPORTS.

AS MINISTER OF NATIONAL REVENUE, IT IS MY RESPONSIBILITY TO ENSURE THAT ANY MAJOR DIVERSION OF DUMPED STEEL IS DEALT WITH QUICKLY AND EFFECTIVELY UNDER OUR ANTI-DUMPING LEGISLATION WHERE IT IS LIKELY TO BE INJURIOUS TO THE CANADIAN STEEL INDUSTRY. ACCORDINGLY, I HAVE AUTHORIZED MY OFFICIALS TO INTRODUCE CERTAIN SPECIAL MEASURES TO DEAL WITH THE THREAT OF LARGE SCALE DIVERSION OF DUMPED FOREIGN STEEL INTO CANADA, AND NOTICE OF THESE MEASURES IS BEING GIVEN TO ALL MAJOR STEEL EXPORTING COUNTRIES.

SPECIFICALLY, THESE SPECIAL MEASURES WILL INVOLVE THE FOLLOWING:

1) THE MONITORING OF ALL IMPORTS OF STEEL MILL PRODUCTS
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INTO CANADA SO THAT CHANGES IN IMPORT LEVELS MAY BE IDENTIFIED AT AN EARLY STAGE.

2) THE ESTABLISHMENT OF A TASK FORCE TO ANALYZE THE IMPORT DATA AND TO COLLECT INFORMATION ON A CONTINUING BASIS CONCERNING THE STATE OF VARIOUS CANADIAN STEEL SECTORS AND WITH RESPECT TO FOREIGN PRODUCERS' PRICES AND MARKET SITUATIONS.

3) USE BY THE DEPUTY MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE, OF HIS EXISTING AUTHORITY TO INITIATE ANTI-DUMPING INVESTIGATIONS WITHOUT A FORMAL COMPLAINT, WHERE HE IS OF THE OPINION THAT THERE IS EVIDENCE OF DUMPING AND MATERIAL INJURY OR LIKELIHOOD OF SUCH INJURY AS A RESULT OF DUMPING. THE EVIDENCE WOULD BE BASED ON DATA ACCUMULATED BY THE TASK FORCE. WITH REGARD TO THE EVIDENCE OF DUMPING, THE UNITED STATES "TRIGGER PRICES" AND THE EEC "BASIC PRICES" APPROPRIATELY ADJUSTED WILL BE TAKEN INTO ACCOUNT IN THE DECISION

WHETHER OR NOT TO

INITIATE AN ANTI-DUMPING
INVESTIGATION.

4) AN ACCELERATED INVESTIGATION PROCEDURE WHICH IN MOST
CASES WILL RESULT IN DETERMINATIONS RESPECTING THE
APPLICATION OF PROVISIONAL ANTI-DUMPING DUTIES WITHIN
THREE MONTHS OF INITIATION, COMPARED WITH SIX MONTHS UNDER
NORMAL CIRCUMSTANCES. LESS TIME WILL BE ALLOWED TO
EXPORTERS AND IMPORTERS TO RESPOND TO QUESTIONNAIRES AND
THE DEPARTMENTAL VERIFICATION PROCESS WILL BE
ACCELERATED BY THE APPLICATION OF ADDITIONAL RESOURCES.

THESE MEASURES WILL RESULT IN CASES BEING BROUGHT MUCH
MORE QUICKLY BEFORE THE ANTI-DUMPING TRIBUNAL WHERE THE
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QUESTION OF MATERIAL INJURY MUST BE DECIDED WITHIN A 90 DAY
PERIOD.

IN CERTAIN CASES INVOLVING MASSIVE AND DELIBERATE DUMPING,
THE ANTI-DUMPING ACT PERMITS THE ANTI-DUMPING TRIBUNAL TO
AUTHORIZE THE RETROACTIVE APPLICATION OF ANTI-DUMPING
DUTIES.

I AM CONFIDENT THAT THESE MEASURES, WHICH ARE INTENDED TO
DETER AND DEAL WITH INJURIOUSLY DUMPED IMPORTS, WILL
SAFEGUARD THE OVERALL HEALTH OF THE CANADIAN STEEL INDUSTRY
AND, AT THE SAME TIME, PERMIT THE CONTINUATION OF NORMAL
COMPETITIVE TRADE.

END TEXT. ENDERS UNQUOTE VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE048059
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/RPE:R LAMANTIA
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780086-0742
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780215/aaaaamjs.tel
Line Count: 151
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bfb638d0-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 OTTAWA 848
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3483211
Secure: OPEN
Status: NATIVE
Subject: CANADA ANNOUNCES SPECIAL MEASURES REGARDING STEEL IMPORTS
TAGS: ETRD, CA
To: BRUSSELS PARIS MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/bfb638d0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014